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March 31, 2006

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Chairman Jeff Hatch Miller
Commissioner William Mundell
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Commissioner Mike Gleason
Commissioner Kris Mayes

AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

W-01445A-06-0199

RE: Arizona Water Company Application to Extend CC&N, Docket No. 06-0199

Dear Chairman Hatch Miller and Commissioners:

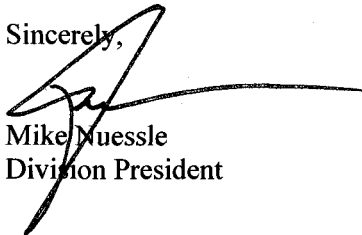
I am writing to protest the recent filing by Arizona Water Company. Pulte Homes is under contract to purchase approximately 1500 acres within the boundaries of this request at the intersection of Val Vista Road and Maricopa-Casa Grande Highway. Pulte is beginning development of a master-planned, multi-generational community on this property next month. At build out, this project will consist of over 5000 homes, a Golf Course, a 25,000 square foot recreation facility, multiple playing fields, pools, and parks. We anticipate investing over \$60 million in the next year to get this project open for sales by the summer of 2007.

During our initial planning of the project in late 2004 and early 2005, we investigated water and sewer providers in the area. We found that we were not included in the service area of any provider, nor were we included in a CC&N. We contacted the City of Casa Grande, Global Water Management, and Arizona Water Company to discuss bringing service to the project. It is extremely important to Pulte Homes that we support the local municipality when planning projects of this magnitude. The City was unable to provide service to the project in time, and therefore worked out a solution with Global to offer an integrated solution of Sewer, Water, and Reclaimed Water. The reclaimed water is an integral part of our project, and we plan to use it for 100 percent of our common area landscaping and golf course water demand. This solution significantly reduces depletion of Arizona's groundwater resources, and is in accordance with the environmental stewardship that Pulte Homes strives to uphold.

The success of our project is closely tied to Global's CC&N expansion, which was filed at our request in December 2005. The current landowner, Gallup Financial, has executed an agreement with Global on our behalf to provide service to our property. Global has been working closely with our engineers to design the significant infrastructure necessary to service the project. Master plans are under design and contractors are identified to meet the impending demand for service. Once the ACC approves Global's expansion, they will immediately begin construction. We have no room in our schedule for delay and have complete confidence in Global's ability to meet our schedule.

We respectfully request that you quickly resolve this conflict in favor of Global.

Sincerely,


Mike Nuessle
Division President

15111 North Pima Road, Suite 100 Scottsdale, Arizona 85260

cc: Jim Thompson, City of Casa Grande
Phil Polich, Gallup Financial
Brian McNeil, Executive Director, ACC
Chris Kempley, Chief Counsel, ACC
Ernest Johnson, Director, Utilities Division, ACC
Steve Olea, Deputy Director, Utilities Division, ACC